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August 21, 2006

VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-36

Dear Ms. Cottrell:

Enclosed please find the First Set of Information Requests of Bay State Gas Company to Sprague Energy Corp., in the above referenced proceeding.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Patricia M. French

cc: Julie Howley Westwater, Esq., Hearing Officer
Jamie M. Tosches, Esq., Office of the Attorney General
Service List (Electronic Service per the Ground Rules)

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

BAY STATE GAS COMPANY

D.T.E. 06-36

**FIRST SET OF INFORMATION REQUESTS OF
BAY STATE GAS COMPANY TO SPRAGUE ENERGY CORP.**

Pursuant to 220 C.M.R. 1.06(b)(c), Bay State Gas Company (“BSG”) submits to Sprague Energy Corp. (“Sprague”), and its expert witness, George E. Briden, the following first set of information requests.

I. DEFINITIONS AND INSTRUCTIONS

1. Provide each numbered response separately and identify thereon the respondent(s) responsible for both the preparation of the response and the witness that will support the response at the time of hearing.
2. Attachments, such as documents and writings, produced pursuant to these requests should identify the individual request and the witness responsible for the request to which they are responsive.
3. The terms “you” and “yours” mean Sprague, its counsel, employees and agents, or any of its consultants and/or witnesses in this or any other proceeding.
4. The term “document” and “documents” includes all materials, as described herein, which are in your possession, custody or control, regardless of the identity of the preparer and the present location of the document. The term “document” also includes, but is not limited to, correspondence, financial records, business records, reports, books, pamphlets, periodicals, newspapers and magazines and other publications and clippings therefrom, price lists, advertisements, contracts and other agreements and memoranda of understanding, promissory notes, guarantees and other instruments, diaries, blueprints, papers, notes, memoranda, prints, sketches, indices, tapes, video tapes, data processing cards, and all other writings, drawings, graphs, charts, photographs, phono-records, other data compilations from which information can be obtained, any other tangible item upon which information is recorded, and any drafts of any of the foregoing..
5. The term “communication” means any discussion, conversation, negotiation, correspondence, publication, broadcast, conference, meeting,

contact or other disclosure, transfer or exchange of information, either written or oral, and includes each document that in any manner records or memorializes such communication.

6. The term “relating to” any given subject means constituting, ascertaining, embodying, reflecting, identifying, stating, concerning, mentioning, referring to, dealing with or in any way pertaining to the subject.
7. The term “or” means “and”. The term “and” as used herein also means “or”. The terms “and” and “or” shall be construed disjunctively or conjunctively so as to bring within the scope of this set of discovery requests all matters that might otherwise be construed to be outside its scope.
8. The terms “each”, “all” or “any” also mean every.
9. The terms “person” or “persons” include any individual or group of individuals, corporation, partnership, joint venture, firm, association, proprietorship, agency, board, authority, commission or other entity.
10. In answering these requests, words used in the singular number shall include the plural number and words used in the plural number shall refer to the singular number as well.
11. If in answering the requests, you encounter any ambiguity in a definition or instruction, or within any of the requests for production of documents, you are instructed to telephone counsel for the Company promptly to identify your concerns and set forth the matter deemed ambiguous, and set forth the construction chosen or used in answering.
12. In the event that you object to responding or to producing any documents requested, state the precise ground(s) for the objection separately as to each discovery request.
13. With respect to any document responsive to the requests that is withheld from production on the ground that the document or any of its contents is privileged or otherwise not subject to production, please provide a statement which describes each such document and state with respect to each such document:
 - (i) its author;
 - (ii) its date;
 - (iii) a generic description of the document (i.e., letter report, memorandum);
 - (iv) the subject matter of the document; and
 - (v) the privilege asserted or other alleged ground for non-production of the document.

14. As to each part or parts of these requests to which you state that you are incapable of answering, state separately and precisely why you are incapable of producing the document, and state precisely what attempts you have made to obtain the document(s) requested and the results of your efforts.
15. If any responsive document was in your possession, custody or control but has been disposed of, lost, discarded or destroyed, please identify each such document, specifying its author, addressee, date, subject matter, and describe the contents of the document.
16. Terms not defined herein shall be given their ordinary meaning.
17. The terms “Bay State” or “the Company” shall refer to the applicant before the Department in this proceeding.
18. The term “Department” shall refer to the Department of Telecommunications and Energy.
19. For the purposes of these requests, the terms “Supplier” and “marketer” are interchangeable.
20. These requests shall be deemed continuing so as to require further supplemental responses if you receive or generate additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.

II. FIRST SET OF INFORMATION REQUESTS OF SPRAGUE

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| BSG-SPR-1 | Please refer to the Testimony of George E. Briden (“Briden Testimony”) at p. 5 - 6. Sprague witness Briden states that BSG is not required [by the Department] to plan for GF customers. Please explain in detail your understanding of the Department’s policy of an LDC obligation, or its expectation of an LDC, to serve “Essential Needs” customers, irrespective of their capacity assignment status. |
| BSG-SPR-2 | Please refer to the Briden Testimony at p. 11 & 12. How does Sprague or its witness, Mr. Briden, suggest revising Bay State’s intraday nomination provisions in its Distribution and Default Service T&Cs to allow the Company to monitor and act on Supplier under-deliveries at critical times of the day that threaten system reliability? |
| BSG-SPR-3 | Please refer to the Briden Testimony at p. 12 & 13. How could real-time metering (and remote shut-off controls) be utilized to avoid the system reliability consequences caused by GF overtakes in the course of a Critical or OFO Day? |

- BSG-SPR-4 Please provide a complete list of LDCs where Sprague serves retail natural gas customers.
- BSG-SPR-5 For each LDC identified in the response to BSG-SPR-4, please provide the following information for each year beginning 2003:
- i) the number of customers served;
 - ii) the total annual load served; and
 - iii) the aggregate MDQ or other measure of peak usage of customers served.
- BSG-SPR-6 For each MA LDC identified in the response to BSG-SPR-4, please provide the following information for grandfathered customers for each year beginning 2003:
- i) the number of customers served;
 - ii) the total annual load served; and
 - iii) the aggregate MDQ or other measure of peak usage of customers served.
- BSG-SPR-7 For each Bay State customer served by Sprague, please provide the following:
- i) Bay State customer account no.;
 - ii) initial length of contract;
 - iii) date at which the customer can currently cease taking service from Sprague without incurring any termination penalty.
- BSG-SPR-8 Please provide a detailed description of all gas supply wholesale services provided by Sprague to its retail arm. Are these gas supply services provided pursuant to a contractual agreement between the wholesale and retail affiliates. Please describe any gas supply performance guarantees provided to the retail affiliate serving Bay State's customers.
- BSG-SPR-9 Please describe in detail any restrictions related to potential modifications to Sprague's current business plan or strategy of serving Bay State customers.
- BSG-SPR-10 Please describe in detail any restrictions related to potential modifications to current business plans or strategies of other marketers, other than Sprague, serving Bay State customers.
- BSG-SPR-11 Please describe in detail any restrictions upon Sprague related to potential modifications to its current business plan or strategy of acquiring wholesale services from its affiliate.
- BSG-SPR-12 Please describe in detail any restrictions upon other marketers, other than Sprague, related to potential modifications to their current business plans or strategies of acquiring gas supplies to serve Bay State customers.

- BSG-SPR-13 Please explain in detail how Mr. Briden’s proposals address the operational risks posed by the unauthorized taking of gas.
- BSG-SPR-14 What is the breakout of the design day and annual load of Sprague’s grandfathered and non-grandfathered daily metered customers?
- BSG-SPR-15 How does a supplier’s access to Bay State’s on-system no-notice LNG and propane resources, affect their ability to better meet changing requirements of their non-grandfathered daily metered customers?
- BSG-SPR-16 In your opinion, if Bay State did not receive any nominations from marketers for its pool of customers, should it wait until the last nomination deadline (6:00 P.M. CT) on the upstream pipeline before taking any action to make up for this imbalance or should Bay State wait? Assuming that Bay State waits for final intra-day cycle nominations, and retail marketers have not cured their under-delivery at that time, what resources, if any, do you feel would be available to Bay State in the upstream market? Given that no more than 12 hours remains in the Gas Day, would these resources be sufficient to satisfy these grandfathered customers’ total firm requirements? If not, how should Bay State ensure reliability of service to all of its firm customers?
- BSG-SPR-17 In your opinion, do retail marketers plan on meeting the design day requirements of their pool of customers? Is there a distinction between planning for grandfathered and non-grandfathered daily metered customers? If not, why not? What is the design day standard used by marketers to meet their firm requirements, e.g. 1 in 25 years, 1 in 33 years, etc.?
- BSG-SPR-18 Does Sprague rely on the ability to trade imbalances pursuant to Bay State’s Tariff to avoid any daily metered under-deliveries? If so, to what extent. What assurances does Sprague have that other retail marketers will over-deliver, helping to off-set any under-deliveries by Sprague?
- BSG-SPR-19 Has Sprague under-delivered by more than 30% for its daily metered pool on any day prior to entering into any imbalance trades? If so, please list these days and imbalance percentages.
- BSG-SPR-20 Reference Mr. Briden’s testimony at page 1, line 8. Please describe the other services provided by Snake Hill.
- BSG-SPR-21 Reference Mr. Briden’s testimony at page 1, line 17. Please list the positions Mr. Briden has held with a local distribution company and the corresponding responsibilities and dates.
- BSG-SPR-22 Reference Mr. Briden’s testimony at page 2, lines 2-3. Please provide copies of all testimony, reports or other documents prepared by Mr. Briden related to gas supply planning and procurement.

BSG-SPR-23 Reference Mr. Briden's testimony at page 12, line 6 through page 13, line 17. Is it Mr. Briden's recommendation that Bay State should implement a system whereby it could monitor and remotely shutoff grandfathered customers whose usage contributed to an overtake? If so, please describe in detail all changes to Bay State's tariff that would be necessary to implement Mr. Briden's recommendation.

DATED: August 21, 2006